

REMARKS

Claims 15-33 remain in the application including independent claims 15 and 26. Claims 1-14 have been cancelled. New dependent claims 34-35 have been added. The examiner has withdrawn the restriction requirement. Thus, all claims remain pending in the application.

Claim 26 has been amended to overcome the examiner's rejection under 35 U.S.C. 112, second paragraph, identified in Item 3 of the subject official action. Additional amendments have been made to claims 16-33 that are not related to any rejections set forth in the subject official action. These additional amendments have been made solely to provide consistent terminology and to correct claim dependencies.

Claims 26-33 stand rejected under 35 U.S.C. 102(b) as being anticipated by Yasuda (US 6115663). Claim 15 requires that the second axle output shaft be selectively driven by the input shaft. In Yasuda, the first and second axle output shafts are always driven by the input shaft. The clutch mechanism does not couple and uncouple the shafts from each other, the clutch mechanism continuously changes the apportionment of the torque transmitted to the front and rear wheels. See column 2, lines 57-63. Thus, Yasuda does not teach to engage or drive the front axle only when certain predetermined conditions are met.

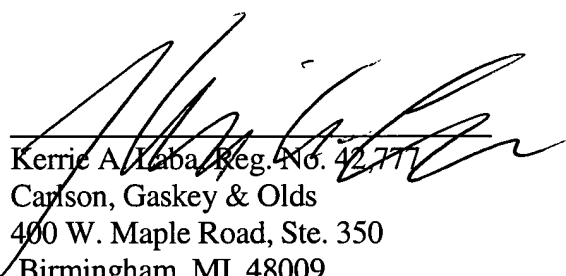
Further, claim 15 requires that the clutch mechanism couple the first and second axle output shafts together during a wheel slippage condition when rotational speeds of said first and second axle output shafts are within a common rotational speed range. Yasuda does not teach a transfer case that couples the front and rear axle output shafts together only when transfer case rotational shaft speeds are within a predetermined speed range because both axle output shafts

are already coupled together in all driving conditions. Thus, Yasuda does not anticipate claim 15. For similar reasons Yasuda does not anticipate claim 26.

Claim 24 stands rejected to under 35 U.S.C. 103(a) as being unpatentable over Yasuda alone. For the reasons set forth above, Yasuda does not disclose, suggest, or teach the features of claim 24. Further, the examiner has taken Official Notice regarding the gear configuration set forth in claim 24. Applicant respectfully requests that the examiner provide a reference showing the gear configuration.

Applicant asserts that all claims are now in condition for allowance and respectfully requests an indication of such. Fees for one additional dependent claim are paid by the attached check. Applicant believes that no additional fees are necessary, however, the Commissioner is authorized to charge Deposit Account No. 50-1482 in the name of Carlson, Gaskey & Olds for any additional fees or credit the account for any overpayment.

Respectfully submitted,



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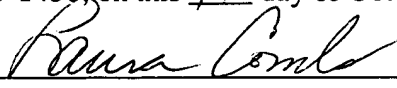
Dated: October 19, 2004



60,130-1890; 00MRA0574

CERTIFICATE OF MAIL

I hereby certify that the enclosed Amendment is being deposited with the United States Postal Service as First Class Mail, postage prepaid, in an envelope addressed to Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this 19 day of October, 2004.



Laura Combs